

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
SUEZ WATER DELAWARE INC.)
FOR A GENERAL INCREASE IN RATES)
AND FOR A REVISION TO ITS) PSC DOCKET NO. 16-0163
GENERAL TARIFF)
(FILED FEBRUARY 5, 2016))

**PETITION OF SUEZ WATER DELAWARE, INC. FOR APPROVAL
OF INTERIM RATES PURSUANT TO 26 DEL. C. §306(b)**

Petitioner Suez Water Delaware Inc. ("SWDE") respectfully requests, pursuant to 26 Del. C. §306(b), that the Delaware Public Service Commission ("Commission") approve its revised interim rate increase of \$3,944,930, effective for service on or after September 5, 2016. In support of its Petition, SWDE states the following:

1. On February 5, 2016, SWDE filed an Application (the "Application") with the Commission seeking approval of: (1) an increase in its water service rates of \$4,943,665, which is a 19.96% increase over existing rates;¹ and (2) various changes to its water tariff as described in the Application.

2. Pursuant to its authority under 26 Del. C. §306(a)(1), the Commission reviewed the Application and determined in PSC Order No. 8861 (March 22, 2016) that the proposed rate and tariff changes should be suspended pending full and complete evidentiary hearings into their justness and reasonableness.

¹ SWDE noted that its proposed increase in base rates includes \$1,696,286 of Distribution System Improvement Charge that will be rolled into base rates and reset to zero.

3. By PSC Order No. 8861, the Commission authorized the Company, pursuant to 26 Del. C. §306(c)², to implement interim rates intended to produce an annual increase in intrastate operating revenues of \$2,499,338 effective with usage on and after April 5, 2016, subject to refund, and waived the requirement of 26 Del. C. §306(b) of a bond with surety with respect to the interim rates, conditioned on SWDE's representation that it will abide by any Commission refund order.

4. As of September 5, 2016, seven (7) months will have elapsed from the date of the filing of the Company's Application.

5. SWDE submits this Petition with proposed tariff sheets (the "Petition") seeking to implement a revised interim rate increase of \$3,944,930,³ as permitted by 26 Del. C. §306(b).

6. SWDE requests the Commission to waive the statutory requirement of a bond with surety pursuant to 26 Del. C. §306(b), because it has sufficient financial resources to provide a refund, if so ordered by the Commission.

² 26 Del. C. §306(c) provides, in pertinent part, that notwithstanding 26 Del. C. §§306(a) and (b), 60 days after the filing of a petition for a proposed change to any rate, a public utility may put a rate into effect under bond as authorized in 26 Del. C. §306(b), provided that the increase does not constitute an increase in excess of 15 percent of the public utility's annual gross intrastate operating revenues or \$2,500,000 annually, whichever is less.

³ \$3,944,930 is cumulative of the \$2,499,338 put into effect on April 5, 2016 in accordance with PSC Order No. 8861. \$3,944,930 is also 15% of SWDE's intrastate operating revenue and thus the maximum increase allowed under 26 Del. C. §306(b). By the Petition, SWDE seeks to put an additional \$1,445,592 into effect.

7. The proposed rates attached as Exhibit A will result in total additional revenue to SWDE of 15% of its annual gross intrastate operating revenues, the maximum increase permitted under 26 Del. C. §306(b).

8. Pursuant to 26 Del. C. §306(b), SWDE has the statutory right, after the expiration of seven (7) months from the filing of its rate increase application, to place into effect an interim rate increase, subject to refund, so long as said rates will not produce an increase in excess of 15% of the Company's annual gross intrastate operating revenues.

9. The proposed temporary rates set forth in the tariff sheets attached as Exhibit A are reasonably designed to produce, on an annual basis, revenues equal to 15% of the gross annual intrastate operating revenues of SWDE, consistent with the provisions of 26 Del. C. §306(b).

WHEREFORE, SWDE requests the Commission enter an order in the form attached approving the interim rates appended as Exhibit A, to be effective for usage on and after September 5, 2016, subject to refund.

Respectfully submitted,

MORRIS JAMES LLP

/s/ P. Clarkson Collins, Jr.

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